September 6, 2001

LETTER TO THE EDITOR - *CHICAGO TRIBUNE* - ON SOCIAL SECURITY

Letters to the Editor
Chicago Tribune
Chicago, IL

Dear Editor:

In response to your Tuesday, September 4, 2001 editorial entitled "The Cost of Doing Nothing," the preliminary report released by President Bush's commission to privatize Social Security is a scare tactic to convince the American public into believing that Social Security is falling apart. It should be ignored. Social Security is not going bankrupt; it just needs a tune-up. Currently, the Social Security tax applies to the first $80,400 in earnings. According to the Congressional Research Service, eliminating that wage gap, for example, would only effect the top 6% of all wage earners, but would eliminate two-thirds of the 75-year Social Security deficit.

Privatizers argue that the Social Security Trust Fund is in imminent danger of going broke. Yet, the most recent report of the Social Security Trustees found that Social Security is fully solvent through 2038 and can pay 72% of all benefits through the rest of the century. In 2016, the "crisis" date targeted by the Commission, the Trust Fund will have over $5 trillion in reserves. Privatization is a radical change that would drain $1 trillion from the Trust Fund over 10 years and force cuts in future benefits by up to 54%, according to the 20th Century Fund.

The commission does not talk about how Social Security spends less than one percent of revenues for administration and that privatized systems, like Great Britain's, spend up to 38% of revenues on administration. They don't talk about how they are going to administer the current program which will continue even if benefits are cut, and in addition, administer 145 million individual accounts. And the commission fails to state the obvious - the real winners from privatization will be Wall Street brokers who will reap billions in profits while Retirees, disabled workers, survivors and dependents will be asked to give up benefits.

Social Security is a guaranteed benefit that should not depend on the ups and downs of the Stock Market, neither should it be used to finance a tax cut for the rich. The cost of doing something, if that something is privatizing Social Security, is just too high.

Sincerely,

Jan Schakowsky

Member of Congress